

Income Payments to Individuals, by States, 1929-38

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PER CAPITA income payments in the United States in 1938 amounted to 515 dollars, with a variation on a State basis from 205 dollars in Mississippi to 822 dollars in New York. Per capita income was above the national average in nineteen States and the District of Columbia, and below it in twenty-nine. Twenty-six States had per capita incomes of more than 400 dollars but less than 600 dollars.

Table 1.—Number of States¹ With Per Capita Income Payments at Different Levels, 1929-38

Per capita income	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
\$1,000 and over.....	2	1								
\$900 to \$999.....	2	1	1							
\$800 to \$899.....	5	4	1					3	4	1
\$700 to \$799.....	4	3	5	1		1	2	2	3	3
\$600 to \$699.....	10	8	2	3	2	4	5	9	7	3
\$500 to \$599.....	9	12	8	4	5	3	7	8	9	15
\$400 to \$499.....	7	5	13	7	6	14	11	11	12	11
\$300 to \$399.....	7	7	8	13	15	13	12	7	8	6
\$200 to \$299.....	2	7	6	11	12	10	9	8	5	9
\$100 to \$199.....			4	9	8	3	2			
National, per capita.....	\$679	\$610	\$515	\$399	\$376	\$432	\$465	\$536	\$566	\$515

¹ 48 States. District of Columbia excluded. See text.

Not only does income in any year vary among States, but there is considerable variation in the year-to-year movements. From 1929 to 1933 per capita incomes fell substantially in all States, with declines of less than 40 percent in nine States and of more than 50 percent in seven States. During the period from 1933 through 1937, per capita income payments rose more than 70 percent in nine States and less than 40 percent in ten States, an improvement ranging from 28 percent in Massachusetts to 97 percent in Michigan. From 1937 to 1938 declines were again both universal and uneven.

Table 2.—Number of States Showing Indicated Percentage Changes in Per Capita Income Payments, Selected Periods, 1929-1938

1929-33		1933-37		1937-38	
Percent change	Number of States	Percent change	Number of States	Percent change	Number of States
-30.1 to -32.5.....	1	75.1 and up.....	5	0.....	1
-32.6 to -35.0.....		70.1 to 75.0.....	4	-1 to -2.5.....	2
-35.1 to -37.5.....	5	65.1 to 70.0.....	4	-2.6 to -5.0.....	5
-37.6 to -40.0.....	3	60.1 to 65.0.....	8	-5.1 to -7.5.....	15
-40.1 to -42.5.....	10	55.1 to 60.0.....	7	-7.6 to -10.0.....	14
-42.6 to -45.0.....	8	50.1 to 55.0.....	4	-10.1 to -12.5.....	8
-45.1 to -47.5.....	10	45.1 to 50.0.....	6	-12.6 to -15.0.....	2
-47.6 to -50.0.....	5	40.1 to 45.0.....	1	-15.1 to -17.5.....	2
-50.1 to -52.5.....	3	35.1 to 40.0.....	4		
-52.6 to -55.0.....	3	30.1 to 35.0.....	5		
-55.1 to -57.5.....	1	25.1 to 30.0.....	1		
National percentage.....	-44.6	National percentage.....	50.5	National percentage.....	-9.0

Income payments as classified in the State estimates are of four major types: Salaries and wages, other labor income (direct and work relief and unemployment

benefits, workmen's compensation, pension payments, and related items), entrepreneurial withdrawals (the incomes of self-employed persons), and capital return (dividends, interest, and net rents and royalties). These concepts are identical to those used in the national figures on income payments.

Table 3.—Number of States With Types of Income at Indicated Percentages of Total Payments, 1938

Percentage of total income payments	Salaries and wages	Other labor income	Entrepreneurial withdrawals	Dividends, interest, and net rents and royalties
70 to 74.9.....	1			
65 to 69.9.....	2			
60 to 64.9.....	14			
55 to 59.9.....	17			
50 to 54.9.....	8			
45 to 49.9.....	5			
40 to 44.9.....	2			
35 to 39.9.....			4	1
30 to 34.9.....			4	
25 to 29.9.....			8	
20 to 24.9.....			13	5
15 to 19.9.....			8	11
10 to 14.9.....		4	10	20
5 to 9.9.....		42	2	12
0 to 4.9.....		3		
Percentages from national totals.....	59.1	7.2	17.6	16.1

Salaries and wages were the most important type of payment in every State in 1938 and accounted for nearly three-fifths of total income payments for the Nation. In 3 States more than 65 percent of total payments were received as salaries and wages, but residents of 7 States derived less than 50 percent of their income from this source. Other labor income provided more than 7 percent of total income payments for the country as a whole, and between 5 and 10 percent of total payments in 42 States. Entrepreneurial withdrawals accounted for a little more than one-sixth of total income payments for the Nation in 1938, while slightly less than one-sixth appeared in the form of capital return, with the relative importance of payments of these types varying widely among the States. Withdrawals, ranging from 8 percent in the District of Columbia to 40 percent in Mississippi, provided more than 25 percent of total payments in 16 States and less than 15 percent in 12 States. Capital return contributed more than one-fifth of total income payments in 6 States and less than one-tenth in 12 States.

The differences in averages, composition, and trends of income payments, as indicated in part in tables 1, 2, and 3, give significance to the data for individual States. Income payments reflect comprehensively the functioning of the economic organization in the different States and provide a background for better analyses of

other statistical and financial data relating more directly to the behavior of specific segments of the economy. An analysis of these differences is here presented only in broad outline. But to the businessman concerned with problems of sales control and marketing

development, and to Government units determining policy in social and fiscal matters, differences between the economies of particular areas as reflected in the pattern of income payments and variations in trends over a period of time are both significant factors, and the detailed figures given in tables 4 and 7 will permit more specialized analysis in approaching specific problems.

Per Capita Income Payments.

Although total income payments in particular States have definite significance, average or per capita incomes may be more useful measures for many analytical purposes. Income payments are primarily general measures of the ability of individuals to command goods and services, and the number of persons participating in a given quantitative demand is an important conditioning factor in determining the nature of the goods and services required.

Per capita income is derived by dividing an estimate of total income payments by an estimate of population. Both estimates are developed carefully and are based upon a wide variety of primary data, but source material is of such a nature that some margin of error must be recognized. Further, it is usually feasible only to assign salary and wage income to the State in which it is earned, and that is not always the State in which the recipient resides. Since there are areas where large cities located at or near State boundaries attract to employment the residents of bordering States, population data and income estimates are not strictly comparable. In such cases, per capita payments in the given State are too high and in the neighboring State too low. Computed per capita incomes for the District of Columbia are considerably inflated because of the high proportion of persons who work in Washington, D. C., but live in Virginia or Maryland, and average income in those States is computed at too low a level, although the bias in the State figures is less significant because of the larger area and population of the adjoining States.

The general cyclical swings of per capita income payments were similar in all States, but table 4 reveals that individual variations were often rather extreme. Per capita income in Massachusetts fell 30 percent from 1929 to 1932, less than the decline in any other State. In North Dakota, heavily influenced by poor years in agriculture, the drop was almost twice as severe, with average income per person in 1932 at only 41 percent of the 1929 figure. Recovery from 1933 to 1937 tended to be either modest or extreme as the preceding decline had been small or large. Per capita incomes in both New Jersey and Mississippi were both at about 80 percent of their respective 1929 averages in 1937, but stood at only 47 percent of the 1929 figure in Mississippi in 1933 in contrast with 59 percent in New Jersey.

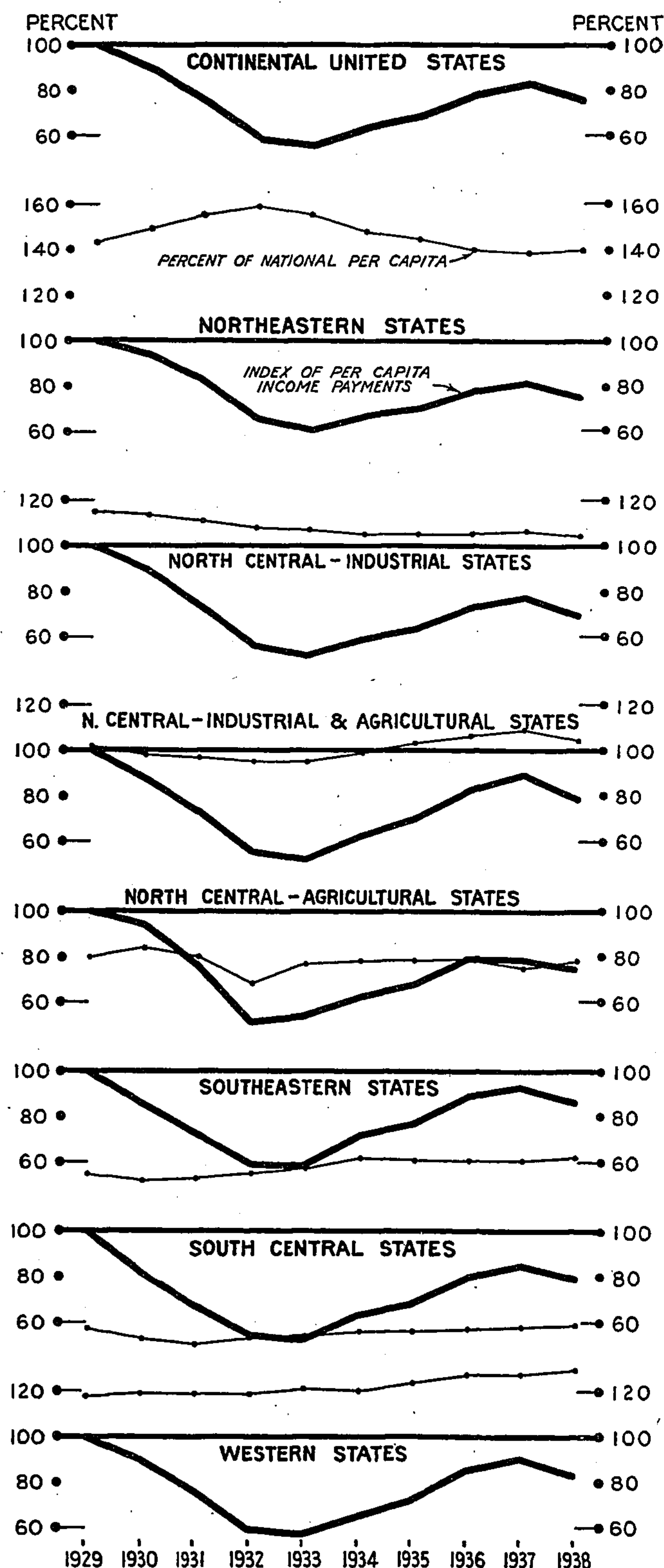


Figure 5.—Per Capita Income Payments By Regions, 1929-38 (U. S. Department of Commerce.

Table 4.—Per Capita Income Payments by States, 1929-38

State	Amount										Percent of 1929					Ratio to National Per Capita					
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1932	1933	1936	1937	1938	1929	1932	1933	1936	1937	1938
Continental United States.....	679	610	515	399	376	432	465	536	566	515	58.8	55.4	78.9	83.4	75.8	1.00	1.00	1.00	1.00	1.00	1.00
Alabama.....	323	242	188	155	142	191	200	239	244	225	48.0	44.0	74.0	75.5	69.7	.48	.39	.38	.45	.43	.44
Arizona.....	601	512	426	325	319	400	449	518	537	543	54.1	53.1	86.2	97.7	90.3	.89	.81	.85	.97	1.04	1.05
Arkansas.....	300	221	175	155	141	180	191	225	227	216	51.7	47.0	75.0	75.7	72.0	.44	.39	.38	.42	.40	.42
California.....	981	894	764	602	566	628	690	819	864	794	61.4	57.7	83.5	88.1	80.9	1.44	1.51	1.51	1.53	1.53	1.54
Colorado.....	624	603	505	374	364	411	450	537	587	531	59.9	58.3	86.1	94.1	85.1	.92	.94	.97	1.00	1.04	1.03
Connecticut.....	926	848	739	573	540	601	645	737	794	698	61.9	58.3	79.6	85.7	75.4	1.36	1.44	1.44	1.38	1.40	1.36
Delaware.....	1,065	919	835	638	608	689	765	890	892	754	59.9	57.1	83.6	83.8	70.8	1.57	1.60	1.62	1.66	1.58	1.46
District of Columbia ¹	1,291	1,294	1,207	1,046	895	976	1,043	1,193	1,238	1,199	81.0	69.3	92.4	95.9	92.9	1.90	2.62	2.38	2.23	2.19	2.33
Florida.....	515	455	392	310	286	347	379	451	487	454	60.2	55.5	87.6	94.6	88.2	.76	.78	.76	.84	.86	.88
Georgia.....	332	277	231	190	186	232	252	290	296	279	57.2	56.0	87.3	89.2	84.0	.49	.48	.49	.54	.52	.54
Idaho.....	533	479	373	269	290	354	391	457	499	438	50.5	54.4	85.7	93.6	82.2	.78	.67	.77	.85	.88	.85
Illinois.....	890	770	616	458	429	487	528	620	668	599	51.5	48.2	69.7	75.1	67.3	1.31	1.15	1.14	1.16	1.18	1.16
Indiana.....	590	510	422	315	305	362	397	477	513	454	53.4	51.7	80.8	86.9	76.9	.87	.79	.81	.89	.91	.88
Iowa.....	554	538	425	285	299	340	385	456	448	453	51.4	54.0	82.3	80.9	80.0	.82	.71	.80	.85	.79	.86
Kansas.....	551	509	416	297	298	348	375	430	454	414	53.9	54.1	78.0	82.4	75.1	.81	.74	.79	.80	.80	.80
Kentucky.....	369	314	258	209	189	233	252	293	306	280	56.6	51.2	79.4	82.9	75.9	.54	.52	.50	.55	.54	.54
Louisiana.....	415	362	315	249	235	284	306	356	380	376	60.0	56.6	85.8	91.6	90.6	.61	.62	.63	.66	.67	.73
Maine.....	582	567	497	391	374	407	438	486	501	453	67.2	64.3	83.5	86.1	77.8	.86	.98	.99	.91	.89	.88
Maryland.....	687	656	579	474	442	496	529	599	650	592	69.0	64.3	87.2	94.6	86.2	1.01	1.19	1.18	1.12	1.15	1.15
Massachusetts.....	872	818	739	607	554	601	626	687	711	656	69.6	63.5	78.8	81.5	75.2	1.28	1.52	1.47	1.28	1.26	1.27
Michigan.....	759	634	524	401	353	462	528	624	695	576	52.8	46.5	82.2	91.6	75.9	1.12	1.01	.94	1.16	1.23	1.12
Minnesota.....	573	538	464	348	337	389	432	516	535	506	60.7	58.8	90.1	93.4	88.3	.84	.87	.90	.96	.95	.98
Mississippi.....	268	202	144	131	126	165	177	226	215	205	48.9	47.0	84.3	80.2	76.5	.39	.33	.34	.42	.38	.40
Missouri.....	617	566	474	364	338	377	401	456	467	434	59.0	54.8	73.9	75.7	70.3	.91	.91	.90	.85	.83	.84
Montana.....	650	533	448	324	344	465	544	602	606	518	49.8	52.9	92.6	93.2	79.7	.96	.81	.91	1.12	1.07	1.01
Nebraska.....	575	576	481	298	330	383	385	464	441	400	51.8	57.4	80.7	76.7	69.6	.85	.75	.88	.87	.78	.78
Nevada.....	863	801	716	540	505	589	694	784	897	799	62.6	58.5	90.8	103.9	92.6	1.27	1.35	1.34	1.46	1.58	1.55
New Hampshire.....	655	608	548	428	414	464	479	511	539	501	65.3	63.2	78.0	82.3	76.5	.96	1.07	1.10	.95	.95	.97
New Jersey.....	818	772	674	537	479	523	548	615	647	599	65.6	58.6	75.2	79.1	73.2	1.20	1.35	1.27	1.15	1.14	1.16
New Mexico.....	386	348	300	230	239	306	338	408	429	409	59.6	61.9	105.7	111.1	106.0	.57	.58	.64	.76	.76	.79
New York.....	1,130	1,061	915	720	665	732	766	854	889	822	63.7	58.8	75.6	78.7	72.7	1.66	1.80	1.77	1.59	1.57	1.60
North Carolina.....	317	260	221	179	191	243	254	287	304	282	56.5	60.3	90.5	95.9	89.0	.47	.45	.51	.54	.54	.55
North Dakota.....	442	363	259	182	215	246	273	319	332	296	41.2	48.6	72.2	75.1	67.0	.65	.46	.57	.60	.59	.57
Ohio.....	750	656	551	411	396	469	517	613	664	577	54.8	52.8	81.7	88.5	76.9	1.10	1.03	1.05	1.14	1.17	1.12
Oklahoma.....	464	368	287	227	230	253	280	315	340	314	48.9	49.6	67.9	73.3	67.7	.68	.57	.61	.59	.60	.61
Oregon.....	677	586	490	377	354	421	470	568	598	553	55.7	52.3	83.9	88.3	81.7	1.00	.94	.94	1.06	1.06	1.07
Pennsylvania.....	750	687	575	433	403	460	490	564	599	525	57.7	53.7	75.2	79.9	70.0	1.10	1.09	1.07	1.05	1.06	1.02
Rhode Island.....	842	773	703	574	534	578	623	688	725	656	68.2	63.4	81.7	86.1	77.9	1.24	1.44	1.42	1.28	1.28	1.27
South Carolina.....	274	226	192	158	167	209	220	256	266	249	57.7	60.9	93.4	97.1	90.9	.40	.40	.44	.48	.47	.48
South Dakota.....	458	440	359	195	229	273	294	363	329	329	42.6	50.0	79.3	71.8	71.8	.67	.49	.61	.68	.58	.64
Tennessee.....	353	293	239	193	184	238	254	292	304	279	54.7	52.1	82.7	86.1	79.0	.52	.48	.49	.54	.54	.54
Texas.....	466	394	327	267	264	308	329	384	427	399	57.3	56.7	82.4	91.6	85.6	.69	.67	.70	.72	.75	.77
Utah.....	556	498	416	307	307	352	398	459	498	471	55.2	55.2	82.6	89.6	84.7	.82	.77	.82	.86	.88	.91
Vermont.....	605	554	484	382	356	389	418	473	473	437	63.1	58.8	78.2	78.2	72.2	.89	.96	.95	.88	.84	.85
Virginia.....	412	365	317	266	243	289	311	355	370	347	64.6	59.0	86.2	89.8	84.2	.61	.67	.65	.66	.65	.67
Washington.....	730	655	531	407	389	451	492	603	623	593	55.8	53.3	82.6	85.3	81.2	1.08	1.02	1.03	1.13	1.10	1.15
West Virginia.....	463	405	344	267	260	319	339	398	412	362	57.7	56.2	86.0	89.0	78.2	.68	.67	.69	.74	.73	.70
Wisconsin.....	653	573	474	363	346	400	455	539	569	514	55.6	53.0	82.5	87.1	78.7	.96	.91	.92	1.01	1.01	1.00
Wyoming.....	699	633	534	397	407	482	536	619	637	593	56.8	58.2	88.6	91.1	84.8	1.03	.99	1.08	1.15	1.13	1.15

¹ Data subject to limitations. See text.

Per capita incomes in Arizona, Florida, Idaho, Maryland, Minnesota, Montana, New Mexico, and North and South Carolina for 1937 were either above or approached the 1929 figure. The "real" income per person, i. e., dollar income adjusted for living costs, for these States in the later year was higher than in 1929. On the other hand, Alabama, Arkansas, Illinois, Missouri, Nebraska, North and South Dakota, and Oklahoma had returned by 1937 only to levels between 68 percent and 77 percent of their 1929 averages.

Composition and Sources.

The nature of income payments can be more readily understood by a closer examination of the four major types of payments mentioned above. Salaries and wages, including commissions, fees, and bonuses, are paid regularly by private and public employers of all types to individuals as a return for personal services currently rendered. As far as data permit, that portion of salary and wage items which flows into reserve

funds rather than directly to individuals (as, for instance, employee contributions under social security plans) is excluded from these estimates. Relatively minor amounts of payments in kind are included as salaries and wages in those industries where such payment is common—agriculture, water transportation, and domestic service.

There are also a number of other forms of income flowing primarily to labor but not related to services currently rendered, and these have been designated as "other labor income." This classification encompasses pension payments to individuals under independent plans sponsored by private employers, compensation payments to individuals on account of industrial injuries, adjusted service certificate disbursements, direct relief payments, benefits under social security programs, and similar items. Work relief wages are included in other labor income, because they cannot be separated from direct relief payments in the earlier years, but

most of the other items are related directly or indirectly to services rendered in the past.

The remaining two types of income payments are characterized by an element of return on invested capital. Entrepreneurial withdrawals are the sums taken by self-employed individuals who are owners and operators of unincorporated enterprises. These withdrawals include the earnings of the individual for his labor and management, as well as return on invested capital. The bulk of this item comes from farming and the practice of service professions, and in these fields withdrawals are held equivalent to net incomes; in other lines the greater importance of working capital requirements in the conduct of business tends to make withdrawals greater than net income in poorer years and less than net income in better years. Dividends, interest, and net rents and royalties are various forms of return on invested capital arising from equity and creditor participation and direct ownership. Rent and royalty returns are net after deduction for expenses of ownership, and interest items represent payments on long-term obligations only.

Basic data have been drawn from a large number of sources. Reports of the Bureau of the Census cover about half of the salary and wage items in 1 or more years, and pay-roll indexes prepared by the United States Bureau of Labor Statistics are used extensively for interpolation and extrapolation. Questionnaire surveys conducted by the National Income Division and data from the Bureau of Agricultural Economics, Office of Education, Bureau of Internal Revenue, Civil Service Commission, and many other public and private

organizations were utilized in making these estimates. In general, these State estimates are based upon national total figures developed over a period of years in the preparation of official estimates of national income.¹

Income payments differ from national income primarily by the inclusion only in national income of certain items which are not actual payments received by individuals and the inclusion only in payments of items which do not represent returns for labor or capital services currently rendered. Principal items of income payments not included in national income are direct relief, veterans' pensions and adjusted service benefits, and benefit payments under Social Security legislation. Items covered in national income but not in income payments include business savings (which were positive only in 1929) and contributions by both employees and employers under social security legislation.

Income Payments by Regions.

An examination of table 6 and figure 1 shows at once a relationship between urbanization and income level, and regional variations in income trends, averages, and composition. Analysis by regions is based upon homogeneity of a degree and is particularly dictated by space limitations in this article, but the general approach may be applied profitably in examining the characteristics and development of particular States either singly or in other groups. Groupings here employed are based upon general similarity rather than any single specific criterion. Variation within regions

¹ For a discussion of sources and methods beyond the scope of this article, see *National Income in the United States, 1929-35*. The concept of income payments is discussed at length in *Monthly Income Payments in the United States, 1929-40*.

Table 5.—Income Payments in the Continental United States, 1929-38

Item	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Total income payments.....millions of dollars..	82,494	75,095	63,880	49,843	47,267	54,645	59,240	68,896	73,133	67,027
Net salaries and wages.....do.....	52,347	47,642	39,997	31,008	28,483	32,334	35,203	39,226	43,543	39,603
Other labor income.....do.....	1,042	1,137	2,257	1,757	2,272	3,169	3,433	5,584	3,904	4,861
Entrepreneurial withdrawals.....do.....	14,195	11,979	9,410	7,255	7,751	9,501	10,709	12,213	12,969	11,788
Dividends, interest, and net rents and royalties.....do.....	14,910	14,337	12,216	9,823	8,761	9,641	9,895	11,873	12,717	10,775
Population.....thousands.....	121,526	123,091	124,113	124,974	125,770	126,626	127,521	128,429	129,257	130,215
Per capita payments.....	\$679	\$610	\$515	\$399	\$376	\$432	\$465	\$536	\$566	\$515
Percentages of 1929										
Total income payments.....	100.0	91.0	77.4	60.4	57.3	66.2	71.8	83.5	88.7	81.3
Net salaries and wages.....	100.0	91.0	76.4	59.2	54.4	61.8	67.2	74.9	83.2	75.7
Other labor income.....	100.0	109.1	216.6	168.6	218.0	304.1	329.5	535.9	374.7	466.5
Entrepreneurial withdrawals.....	100.0	84.4	66.3	51.1	54.6	66.9	75.4	86.0	91.4	83.0
Dividends, interest, and net rents and royalties.....	100.0	96.2	81.9	65.9	58.8	64.7	66.4	79.6	85.3	72.3
Population.....	100.0	101.3	102.1	102.8	103.5	104.2	104.9	105.7	106.4	107.1
Per capita payments.....	100.0	89.8	75.8	58.8	55.4	63.6	68.5	78.9	83.4	75.8
Percentages of total income payments										
Net salaries and wages.....	63.5	63.4	62.6	62.2	60.3	59.2	59.4	57.0	59.6	59.1
Other labor income.....	1.3	1.5	3.5	3.5	4.8	5.8	5.8	8.1	5.3	7.2
Entrepreneurial withdrawals.....	17.2	16.0	14.8	14.6	16.4	17.4	18.1	17.7	17.7	17.6
Dividends, interest, and net rents and royalties.....	18.0	19.1	19.1	19.7	18.5	17.6	16.7	17.2	17.4	16.1
Salaries and wages and other labor income.....	64.8	64.9	66.1	65.7	65.1	65.0	65.2	65.1	64.9	66.3

Table 6.—Analysis of Income Payments by Regions,¹ Selected Years in the Period 1929–38

Region ¹	1930			Indexes of per capita income payments, 1929=100					Range of State per capita income payments in 1938	Ratio of per capita payments: region to nation				Income composition, 1938: Per-cent distribution			
	Population		Per capita income pay-ments (dollars)	1932	1933	1936	1937	1938		1929	1933	1937	1938	Sala-ries and wages	Other labor income	Entre-preneurial with-drawals	Divi-dends, interest, etc.
	Total (mil-lions)	Percent in cities of 25,000 and up															
Total continental United States...	122.8	40.1	610	58.8	55.4	78.9	83.4	75.8	² 205-822	1.00	1.00	1.00	1.00	59.1	7.2	17.6	16.1
Northeastern States.....	27.2	63.8	910	65.5	60.1	77.6	81.1	74.7	² 437-822	1.43	1.55	1.39	1.40	60.7	6.5	12.1	20.7
North central—industrial States.....	20.9	47.9	696	55.3	51.5	72.6	77.1	68.8	434-599	1.15	1.07	1.06	1.04	61.6	7.9	14.1	16.4
North central—industrial and agricul-tural States.....	20.2	45.3	600	54.8	51.6	82.6	89.1	78.0	454-577	1.02	.95	1.09	1.04	61.4	8.4	17.2	13.0
North central—agricultural States.....	7.1	17.3	511	50.3	53.6	79.1	78.6	74.3	296-443	.80	.77	.75	.78	48.0	7.4	34.6	10.0
Southeastern States.....	13.4	17.6	318	59.1	58.1	88.4	92.5	85.8	249-454	.55	.57	.61	.62	58.9	6.7	22.4	12.0
South Central States.....	22.1	19.3	316	54.3	52.2	79.3	84.2	78.8	205-399	.57	.54	.58	.59	53.0	7.2	26.5	13.3
Western States.....	11.9	41.3	725	59.3	56.8	85.1	90.0	82.9	409-799	1.18	1.21	1.27	1.29	57.6	7.2	20.0	15.2

¹ Northeastern States: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Maryland, and District of Columbia. North central—industrial States: Pennsylvania, Illinois, Missouri. North central—industrial and agricultural States: Ohio, Indiana, Michigan, Wisconsin, Minnesota. North central—agricultural States: Iowa, North Dakota, South Dakota, Nebraska, Kansas. Southeastern States: Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida. South Central States: Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas. Western States: Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, California.

² Per capita for District of Columbia is \$1,199. See text.

³ 1932 ratio is 0.68.

⁴ 1936 ratio is 0.80.

is often significant and some indication of the extent thereof is given in the column specifying ranges of per capita incomes in 1938.

The Northeastern States are characterized by a high level of per capita income and high urbanization. Other labor income tends to be a lower percentage of total payments than in any other region, entrepreneurial withdrawals are relatively less important than elsewhere, and return on capital is a higher proportion of the total. Year-to-year changes in payments volume are less marked than for the Nation as a whole.

The pattern and behavior of income payments reflect the stage of economic development in the region. Such factors as specialization and the ownership of capital employed both within the region and elsewhere contribute heavily to high urbanization and high per capita income in the Northeastern States. Other labor income is a lower percentage of total payments because the region fared better in the poorer years of the period, and the low proportion of total payments appearing in the form of entrepreneurial withdrawals measures principally the fact that the farmer is a less important producer in the economy of this region.

The North Central industrial States ² exhibit average income levels and moderately high urbanization. Salaries and wages and other labor income are more important as sources of income payments and entrepreneurial withdrawals are less important than the proportion for the Nation. There is a definite tendency for this area to claim a declining proportion of total income payments for the country as a whole, but this declining proportion may be primarily a reflection of more rapid development in other regions.

² The line of demarcation between this group and those identified as the North Central industrial and agricultural States is less marked than the recognizable differences between other regions, but income patterns in Ohio and Michigan, for instance, are sufficiently different from those in Missouri to validate the grouping here employed. Note in table 4 that the ratio of per capita income in the States to the national figure is higher in 1937 in every State in the "industrial and agricultural" group than the figures expressing this relationship for 1929 where it is lower for each State in the "industrial" group.

Income levels and urbanization for the North Central industrial and agricultural States are of about the same magnitude as in the more industrialized States in this portion of the country, and salary and wage payments and other labor income are here also more important than for all States combined, but capital return items are below the national level. The position of the region relative to all other regions seems to be improving gradually, since per capita income moved from 102 percent of the national average in 1929 to 109 percent in 1937. The so-called heavy industries are more important here than in the Northeastern States, and agriculture plays a greater part in the economy of this region. These two factors combine to produce the greater fluctuations noted for this area in table 6 in comparison with variations in the Northeastern States.

Urbanization in the North Central agricultural States is low, and per capita income is well under the average. Entrepreneurial withdrawals are of nearly twice their average importance because of the dominance of agriculture. Salaries and wages and capital return are lower relative to total payments than in any of the other areas. Cyclical changes were more violent than those displayed in the national pattern and timing was somewhat different; per capita income was cut in half between 1929 and 1932, improved between 1933 and 1936, and declined in the last 2 years of the period. The record of the region is largely the record of agriculture, and it was heavily influenced by the wide fluctuations in the prices of agricultural commodities, drought conditions, and Government crop-control programs which characterized all or part of the 10-year period.

Per capita incomes in the Southeastern and South Central States were the lowest of all the regions. Total income payments in both areas had a relatively low capital return content, and high proportions of entrepreneurial withdrawals reflect again the importance of the farmer. Both areas exhibited some tendency to improve relative to the national levels. This trend is particularly

apparent in the Southeastern States, where per capita payments moved from 55 percent of the average for all regions in 1929 to 61 percent in 1937 and 62 percent in 1938. Both regions are in a period of industrial development which will undoubtedly push per capita incomes to higher levels in the future.

In the Western States, per capita income tends to be high, although urbanization is below average except in California. Income composition follows the national pattern rather closely. This region also appears to be improving relative to the country as a whole; per capita income was only 18 percent above the national level in 1929 but advanced to 29 percent above the average for all regions in 1938.

This brief review indicates but a few of the major points of difference between regions, and incorporates only the concept of urbanization from among all of the important factors related to the levels, composition, and trends of income payments. Such population characteristics as age and racial distributions are also important.

Of the total population of the State of New York in 1930, 61 percent were between 20 and 64 years of age, whereas the comparable figure for South Carolina was only 46 percent. These may be presumed to be the years of greatest income-earning capacity and some

of the difference between the per capita incomes in the two States undoubtedly reflects the difference in age distributions of the inhabitants. Similarly, native white population in Indiana was 92 percent of total population in 1930, and the difference between average income in that State and per capita income in Alabama, for example, where the comparable figure was 64 percent, may trace in some measure to differences in racial composition. Such qualitative factors are important in any analysis of differences in levels, trends, and composition of income payments.

One further consideration is important where these data are to be used for marketing control or similar studies of primarily a fiscal nature: the relative market for luxury items is probably not measured directly by the relationship of total income payments in two different States. Necessities tend to have a prior claim against income payments, and luxuries would be purchasable only after requirements for necessities have been met, so that a greater proportion of total income payments would probably be used in the purchase of luxury goods by residents of States with higher per capita incomes. Determination of what might be termed the relative necessity—luxury characteristics of a particular item will control the per capita amount of income to which there are prior or more important claims.

Table 7.—Income Payments, by Type of Payment and by States, 1929-38

[Millions of dollars]

Type of payment	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Alabama											Arizona									
Total.....	848	642	507	423	393	536	566	685	708	659	257	222	182	136	132	162	182	211	242	227
Salaries and wages.....	511	441	349	264	251	299	318	373	414	376	173	149	121	93	83	95	108	122	146	130
Other labor income.....	13	14	28	21	30	44	41	64	43	57	5	5	9	7	11	19	18	26	18	22
Entrepreneurial withdrawals.....	246	117	72	97	74	150	162	192	187	169	52	43	31	22	25	32	38	40	51	51
Dividends, interest, etc.....	78	70	58	41	38	43	45	56	64	57	27	25	21	14	13	16	18	23	27	24
Arkansas											California									
Total.....	555	412	332	298	275	355	381	455	465	450	5,406	5,095	4,405	3,506	3,326	3,731	4,141	4,962	5,317	4,956
Salaries and wages.....	290	254	198	153	144	164	175	194	208	198	3,222	3,077	2,619	2,117	1,920	2,104	2,325	2,648	2,957	2,826
Other labor income.....	15	16	33	30	27	37	39	57	42	46	66	72	142	107	132	178	234	354	260	311
Entrepreneurial withdrawals.....	201	104	71	92	80	124	137	166	174	170	930	879	732	587	623	720	811	954	1,038	909
Dividends, interest, etc.....	49	38	30	23	24	30	30	38	41	36	1,188	1,067	912	695	651	729	771	1,006	1,062	910
Colorado											Connecticut									
Total.....	642	626	528	393	383	435	477	573	629	572	1,473	1,369	1,211	951	907	1,023	1,107	1,279	1,382	1,218
Salaries and wages.....	385	353	299	240	215	235	252	289	321	300	968	858	733	566	547	617	684	767	867	754
Other labor income.....	11	11	22	17	23	36	41	64	51	53	14	15	29	22	29	41	45	72	48	68
Entrepreneurial withdrawals.....	146	166	124	68	86	96	110	124	157	135	129	121	109	87	83	96	103	117	128	122
Dividends, interest, etc.....	100	96	83	68	59	68	74	96	100	84	362	375	340	276	248	269	275	323	339	274
Delaware											District of Columbia									
Total.....	253	220	203	158	152	174	196	231	233	198	624	637	615	550	486	546	620	738	776	760
Salaries and wages.....	134	123	108	87	82	91	97	112	107	95	442	444	435	390	335	373	438	501	546	543
Other labor income.....	2	2	4	3	5	5	4	8	5	6	11	12	21	17	19	27	28	40	30	34
Entrepreneurial withdrawals.....	23	20	17	14	12	17	21	24	25	24	61	60	54	46	43	45	48	55	61	61
Dividends, interest, etc.....	94	75	74	54	53	61	74	87	96	73	110	121	105	97	89	101	106	142	139	122
Florida											Georgia									
Total.....	737	672	590	475	447	551	612	741	813	773	965	807	680	564	556	699	765	889	914	870
Salaries and wages.....	453	407	349	287	260	310	344	393	436	427	595	538	463	366	354	405	441	488	536	505
Other labor income.....	11	11	23	17	27	38	34	58	41	52	15	16	34	23	30	47	49	74	47	59
Entrepreneurial withdrawals.....	146	142	127	95	91	117	130	150	165	150	262	166	105	110	110	176	199	227	223	216
Dividends, interest, etc.....	127	112	91	76	69	86	104	140	171	144	93	87	78	65	62	71	76	100	108	90

Table 7.—Income Payments, by Type of Payment and by States, 1929-38—Continued

Type of payment	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
Idaho											Illinois									
Total.....	237	214	169	124	135	167	187	222	246	220	6,716	5,885	4,742	3,542	3,326	3,793	4,127	4,864	5,260	4,747
Salaries and wages.....	134	121	99	77	69	81	94	108	123	118	4,536	3,858	3,122	2,338	2,130	2,427	2,651	2,949	3,305	2,948
Other labor income.....	3	3	9	8	9	16	15	23	14	16	71	74	148	143	169	221	218	376	270	317
Entrepreneurial withdrawals.....	84	76	50	30	49	60	66	75	92	71	868	795	623	463	528	562	637	726	777	715
Dividends, interest, etc.....	16	14	11	9	8	10	12	16	17	15	1,241	1,158	849	598	499	583	621	813	908	767
Indiana											Iowa									
Total.....	1,896	1,659	1,389	1,050	1,027	1,230	1,361	1,650	1,782	1,584	1,366	1,332	1,060	714	752	859	975	1,158	1,144	1,136
Salaries and wages.....	1,306	1,122	918	682	648	766	849	991	1,134	953	677	642	554	438	377	414	450	492	529	513
Other labor income.....	33	35	66	53	56	75	79	137	95	139	19	21	42	29	34	44	44	86	54	65
Entrepreneurial withdrawals.....	340	293	233	180	204	253	288	334	353	319	513	522	348	157	268	310	388	460	442	453
Dividends, interest, etc.....	217	209	172	135	119	136	145	188	200	173	157	147	116	90	73	91	93	120	119	105
Kansas											Kentucky									
Total.....	1,032	957	781	557	557	651	705	811	847	771	961	826	692	568	522	654	717	846	893	830
Salaries and wages.....	534	491	418	335	298	325	341	372	408	399	560	505	420	322	308	349	389	437	473	441
Other labor income.....	19	20	36	24	29	39	45	73	48	51	18	20	41	31	36	41	46	79	57	62
Entrepreneurial withdrawals.....	350	341	239	131	169	209	238	262	278	219	256	179	132	131	101	176	191	223	255	234
Dividends, interest, etc.....	129	105	88	67	61	78	81	104	113	102	127	122	99	84	77	88	91	107	108	93
Louisiana											Maine									
Total.....	864	762	666	526	498	602	648	756	811	807	463	453	403	320	310	341	370	414	429	389
Salaries and wages.....	531	499	420	327	306	343	371	405	467	464	285	270	240	192	184	204	216	234	256	231
Other labor income.....	13	14	31	26	34	42	41	65	46	57	9	10	17	13	15	19	21	33	19	27
Entrepreneurial withdrawals.....	196	133	113	92	91	134	148	174	169	172	84	87	62	47	49	53	67	73	77	65
Dividends, interest, etc.....	124	116	102	81	67	83	88	112	129	114	85	86	84	68	62	65	66	74	77	66
Maryland											Massachusetts									
Total.....	1,112	1,073	953	783	732	825	883	1,003	1,092	999	3,681	3,483	3,164	2,606	2,389	2,599	2,740	3,040	3,148	2,906
Salaries and wages.....	706	659	575	463	429	479	524	586	661	608	2,409	2,207	1,950	1,547	1,423	1,542	1,664	1,798	1,933	1,765
Other labor income.....	13	14	29	23	28	42	38	63	42	53	52	60	112	98	110	145	168	254	183	140
Entrepreneurial withdrawals.....	136	120	106	88	91	106	117	133	142	129	345	317	286	238	219	244	265	287	306	293
Dividends, interest, etc.....	257	280	243	209	184	198	204	221	247	209	875	899	816	723	637	668	643	701	726	608
Michigan											Minnesota									
Total.....	3,610	3,061	2,507	1,903	1,665	2,163	2,497	2,986	3,355	2,808	1,461	1,381	1,201	904	879	1,019	1,135	1,359	1,417	1,356
Salaries and wages.....	2,498	2,111	1,676	1,313	1,155	1,489	1,732	1,971	2,346	1,824	857	819	717	578	511	565	620	688	770	745
Other labor income.....	40	45	101	77	92	125	122	196	123	243	20	22	50	34	41	77	82	139	99	119
Entrepreneurial withdrawals.....	436	374	305	246	242	303	347	405	447	375	390	357	268	162	211	245	300	365	378	346
Dividends, interest, etc.....	636	531	425	267	176	246	296	414	439	366	194	183	166	130	116	132	133	167	170	146
Mississippi											Missouri									
Total.....	535	407	290	263	253	332	356	453	435	417	2,228	2,065	1,756	1,370	1,289	1,457	1,568	1,807	1,865	1,741
Salaries and wages.....	257	226	178	140	126	142	151	175	191	178	1,420	1,315	1,115	869	785	863	916	1,004	1,084	1,028
Other labor income.....	9	10	22	17	21	30	30	49	36	39	30	33	67	48	52	75	84	152	104	122
Entrepreneurial withdrawals.....	223	133	62	83	86	134	148	196	172	167	453	386	299	231	257	299	335	365	377	339
Dividends, interest, etc.....	46	38	28	23	20	26	27	33	36	33	325	331	275	222	195	220	233	296	300	252
Montana											Nebraska									
Total.....	350	286	240	173	183	247	289	320	327	282	789	793	662	408	451	522	525	633	601	546
Salaries and wages.....	213	181	151	118	105	126	150	170	185	164	370	354	313	248	218	240	247	267	279	273
Other labor income.....	5	5	10	8	12	21	21	34	26	30	10	10	22	14	15	26	31	53	40	43
Entrepreneurial withdrawals.....	101	73	56	29	49	79	98	91	89	64	316	347	254	95	171	202	190	248	217	173
Dividends, interest, etc.....	31	27	23	18	17	21	20	25	27	24	93	82	73	51	47	54	57	65	65	57
Nevada											New Hampshire									
Total.....	78	73	67	51	49	58	69	78	91	82	304	285	261	207	202	230	240	260	275	256
Salaries and wages.....	51	48	43	37	32	37	41	46	56	53	206	191	169	127	126	142	151	153	168	154
Other labor income.....	1	1	2	1	2	4	4	6	4	4	5	5	9	7	8	12	11	20	14	18
Entrepreneurial withdrawals.....	17	15	12	6	9	10	13	14	16	13	36	31	27	23	22	27	30	33	34	33
Dividends, interest, etc.....	9	9	10	7	6	7	11	12	15	12	57	58	56	50	46	49	48	54	59	51
New Jersey											New Mexico									
Total.....	3,254	3,133	2,770	2,235	2,013	2,222	2,350	2,661	2,812	2,604	162	147	127	97	101	129	143	172	181	173
Salaries and wages.....	2,173	2,033	1,734	1,380	1,219	1,355	1,450	1,592	1,766	1,638	93	87	77	63	59	65	74	86	93	89
Other labor income.....	34	37	75	55	73	111	117	197	142	162	3	3	7	5	6	14	16	23	15	16
Entrepreneurial withdrawals.....	366	349	302	245	238	258	275	313	332	325	52	43	30	19	27	40	40	48	55	52
Dividends, interest, etc.....	681	714	659	555	483	498	508	559	572	479	14	14	13	10	9	10	13	15	18	16

Type of payment	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938
	New York										North Carolina									
Total.....	14,038	13,391	11,617	9,176	8,502	9,398	9,871	11,043	11,515	10,684	992	828	714	589	637	822	870	993	1,063	994
Salaries and wages.....	8,766	8,291	7,059	5,386	4,875	5,451	5,805	6,296	6,766	6,361	595	550	466	367	376	432	469	526	583	556
Other labor income.....	145	162	295	246	349	485	549	827	589	675	11	13	31	21	29	39	39	67	40	56
Entrepreneurial withdrawals.....	1,711	1,579	1,349	1,060	993	1,102	1,222	1,369	1,445	1,376	283	167	129	128	157	263	268	282	313	275
Dividends, interest, etc.....	3,416	3,359	2,914	2,484	2,285	2,360	2,295	2,551	2,715	2,272	103	98	88	73	75	88	94	118	127	107
North Dakota											Ohio									
Total.....	300	248	178	126	149	171	191	225	234	210	4,940	4,369	3,678	2,751	2,653	3,142	3,470	4,115	4,468	3,902
Salaries and wages.....	135	122	105	86	74	80	86	91	97	97	3,474	3,004	2,457	1,811	1,750	2,045	2,269	2,595	2,929	2,449
Other labor income.....	4	4	9	7	8	22	20	35	28	26	71	74	132	99	142	187	197	336	227	310
Entrepreneurial withdrawals.....	145	107	50	21	56	58	74	86	96	75	614	528	444	353	353	448	516	587	641	568
Dividends, interest, etc.....	16	15	14	12	11	11	11	13	13	12	781	763	645	488	408	462	488	597	671	575
Oklahoma											Oregon									
Total.....	1,098	884	697	556	569	630	701	797	867	808	637	561	475	370	351	420	474	578	614	574
Salaries and wages.....	613	542	422	331	304	331	350	379	422	398	411	377	316	244	222	254	288	331	375	357
Other labor income.....	15	17	40	36	35	47	48	91	70	74	9	10	21	15	20	28	28	51	33	42
Entrepreneurial withdrawals.....	313	186	143	117	159	162	210	207	237	212	151	112	87	71	70	98	116	141	145	122
Dividends, interest, etc.....	157	139	92	72	71	90	93	120	138	124	66	62	51	40	39	40	42	55	61	53
Pennsylvania											Rhode Island									
Total.....	7,177	6,638	5,612	4,258	3,999	4,603	4,934	5,716	6,092	5,358	573	531	482	394	365	394	424	468	494	448
Salaries and wages.....	4,906	4,476	3,663	2,744	2,556	2,966	3,149	3,539	3,950	3,322	389	348	299	231	223	242	270	288	314	278
Other labor income.....	82	86	164	114	191	263	330	507	366	493	8	9	19	19	13	14	18	32	24	37
Entrepreneurial withdrawals.....	763	676	568	453	416	489	550	615	677	621	48	44	38	32	29	32	35	39	42	39
Dividends, interest, etc.....	1,426	1,400	1,217	947	836	885	905	1,055	1,099	922	128	130	126	112	100	106	101	109	114	94
South Carolina											South Dakota									
Total.....	475	394	339	282	301	380	406	477	499	471	315	305	249	135	159	189	203	251	227	228
Salaries and wages.....	287	267																		